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DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE  
PUBLIC HEALTH SERVICE  
HEALTH SERVICES AND MENTAL HEALTH ADMINISTRATION  
ROCKVILLE, MARYLAND 20852

January 12, 1971

REGIONAL MEDICAL  
PROGRAMS SERVICE

RM-

ADDRESSED TO ALL REGIONAL MEDICAL  
PROGRAM COORDINATORS

*[Handwritten signature]*

Dear

My staff and I have met with Coordinators to discuss the various changes contemplated to the Regional Medical Program. One agenda item of importance to all of us is the manner in which we have responded to requests for the use of unobligated balances (carryover) for activities or projects that were previously reviewed and approved but not funded or for implementation of activities of a non-recurring nature within the scope of the Program as originally approved.

The likelihood of limited grant funds sharpens the need for immediate action on this issue. If we are to establish and maintain a definite level of funding for the programs, we can no longer support the use of carryover funds as in the past. Further, we must be ready and able to respond flexibly to activities which have a high national or regional priority.

Effective this date, I am requesting that you adhere to a policy of requesting a budget in accordance with a closely calculated level of funding, either previously established or one which we will ultimately make available to you, with complete disregard for any estimated or actual unobligated balances in the grant. Only in this way can we establish a meaningful level of funding with room for growth in the program.

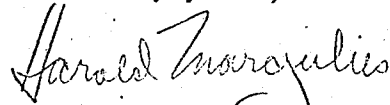
I realize that adapting this policy may result in your having to develop a tighter system for budgeting funds. In this regard, should a need arise for support for activities not contemplated in the budget, funds can be requested through the established procedure and in accordance with existing policy. However, such requests will compete on a national basis for any funds that may be available.

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Any questions you may have regarding this policy can be referred to the Grants Management Branch. I earnestly solicit your cooperation in carrying out this policy.

Sincerely yours,

A handwritten signature in cursive script that reads "Harold Margulies".

Harold Margulies, M.D.  
Acting Director

cc: Grantee Institutions  
Regional Office Representatives  
RMPS grant file  
DPTD file  
Mr. Gilmer  
Mrs. Silsbee  
Grants Management Officers  
GMB file  
Board

Mr. Ichniowski

Miss Conrath

GMB:GTGardell:sbg